

MONOPOLY SUIT IS THROWN OUT BY TRADE BODY

Washington.

The four years of investigation of the "radio trust" by the Federal Trade Commission, which entailed an expense to the defendants of more than \$1,300,000, ended recently when the Commission dismissed its own complaint, without the defense having been the subject of any hearings.

The main defendant was the Radio Corporation of America.

E. A. McCulloch was the only member of the Commission who voted against dismissal of the complaint. Chairman Abran Myers noted for the record that he concurred in the action of the majority for the reason that the Commission was without jurisdiction to enter an effective order. The entire Commission participated in the decision.

Commission's Statement

The following statement was issued by the Commission:

"Dismissal of its complaint against General Electric Company, Radio Corporation of America and others, charging unfair competition in monopolizing the manufacture and sale of radio devices and monopolizing radio communication, was announced today by the Federal Trade Commission.

"Prior to the Commission's decision today the last action taken in the case was in June when arguments were heard on motions of respondents to dismiss the complaint because of lack of sufficient proof and because the subject matter of the charges was not in the Commission's jurisdiction.

Who Defendants Were

"Respondents other than General Electric Company and the Radio Corporation were: American Telephone and Telegraph Company, Western Electric Company, Inc., Westinghouse Electric and Manufacturing Company, The International Radio Telegraph Company, United Fruit Company, and Wireless Specialty Apparatus Company.

"Specifically the complaint charged that respondents combined and conspired, with the effect of restraining competition and creating monopoly in the manufacture, purchase and sale of radio apparatus and other electrical devices and monopolizing radio communication."

The dismissal terminated one of the longest monopoly investigations the Commission ever undertook, and one of the costliest. The R. C. A. was particularly hard hit, since it assumed legal leadership. Hearings were held in New York, Washington, New Orleans, Seattle, San Francisco, Chicago and Boston, since 1926. More than 10,000 pages of testimony was taken.

One R. C. A. Case Remains

Another trust complaint, involving the R. C. A., is still before the Commission. It concerns alleged violation of the Clayton act by the clause in the R. C. A. license to set manufacturers requiring them to use R. C. A. or Cunningham tubes. R. C. A. owns 51% of the Cunningham stock.

A recent court decision upheld an injunction obtained against the R. C. A. by independent tube manufacturers concerning this requirement, clause 9 in the license contract.

Independents Ask New Investigation

Washington.

After the Federal Trade Commission had announced the dropping of the radio monopoly suit, Oswald F. Schuette, secretary of the Radio Protective Association, demanded that the Department of Justice proceed against the erstwhile defendants. Said Schuette:

"There is no longer any possible reason why Attorney General Sargent, should not summon these radio manufacturers into the Federal courts. For five years the independent manufacturers who have demanded prosecution of this monopoly have been met by the excuse that so long as the Federal Trade Commission was prosecuting the R. C. A. it would be interfering for the Department of Justice to take the matter into the courts."

SIX ARE CITED FOR WOBBLING

Washington.

Six broadcasting stations have been notified by the Federal Radio Commission that, because of repeated deviations from their assigned frequencies by more than one-half kilocycle, they must appear before the Commission to determine whether their licenses should be renewed.

The stations are: WIBS, Elizabeth, N. J.; KPQ, Seattle, Wash.; WKBO, Jersey City, N. J.; WKBQ, Seattle, Wash.; KPCB, Seattle, Wash.; and KSGM-WSDA, New York.

In each instance the notification read: "According to information received by the Commission your station has been repeatedly deviating from assigned frequency more than one-half kilocycle in violation of General Order 7. On receipt of your application for renewal it will therefore be set for hearing to determine whether it should be granted or denied and you will be notified of time and place for hearing."

The Commission had previously notified all broadcasting stations that violations of any of the Commission's orders would be the basis for holding public hearings at Washington, and that until such hearing has been held and a decision rendered, the station's license will not be renewed. This notice stated that most violations being reported were of the off-frequency operation order, and of failure of stations to announce call letters every 15 minutes.

The Commission announced its decisions in three cases involving applications for modification of station licenses: WGCP, Newark; WODA, Paterson, and WAAM, Newark, all in New Jersey.

WGCP was notified that the applications of WODA and WAAM for full or half time on 1,250 kilocycles has been granted by the Commission to the extent of three-sevenths time each, while WGCP is granted one-seventh time.

Later three additional broadcasting stations were notified by the Commission that renewal of their licenses will be held in abeyance pending a hearing, because of "repeated deviations" from assigned frequencies, causing interference with other stations.

The stations were KGTT, San Francisco, 50 watts, 1,420 kilocycles; KOL, Seattle, Washington, 1,000 watts on 1,270 kilocycles, and WCLB, Long Beach, California, 100 watts, 1,500 kilocycles.

ADVERTISING PRICES VEXES COMMISSION

Washington.

One of the most difficult problems before the Federal Radio Commission concerns the broadcasting of advertising. The Commission in its annual report discusses this as follows:

"A problem with which the Commission is faced from time to time is the extent and character of advertising which will be permitted by broadcasting stations. There is a tendency to make a distinction between *direct* and *indirect* advertising, but, obviously, there is no sharp line of demarcation between them. By *direct* advertising is usually meant the mention of specific commodities, the quoting of prices, and soliciting of orders to be sent directly to the advertiser or the radio station. By *indirect* advertising is usually meant advertising calculated simply to create or maintain good will toward the advertiser.

Big Proposition in Iowa

"In some localities, such as Iowa, direct advertising has assumed very substantial proportions. Soon after the Commission was established many objections to such advertising were received by the Commission from listeners, and in the first allocation certain of these stations were given only limited facilities.

"Hearings were held at the request of these stations, and the mass of documentary evidence submitted seemed to show overwhelmingly that a majority of the public in certain areas favored direct advertising by radio of certain products for farm consumption, having the idea that there were economic advantages in this method.

"One such station submitted evidence showing that it had received over one-half million commendatory letters in one year.

Merchants Complain

"On the other hand, there has been some measure of complaint by competing merchants who do not have broadcasting facilities to the effect that they were placed under an unfair advantage by such use of a Government franchise.

"The problem is far from being solved. It is manifest that broadcasters must resort to some form of advertising to obtain the revenue for the operation of their stations.

"On the other hand, it is equally manifest that the advertising must not be of a nature such as to destroy or harm the benefit to which the public is entitled from the proper use of broadcasting channels. The Commission has, of course, no power to censor programs and must proceed cautiously in its regulation on this subject."

Youngest of Lagers Goes in for Cabinets

Nate Lager, youngest of the famous four Lager brothers, is specializing in a fine line of cabinets and consoles de luxe, covering a range that will suit every choice and taste, at 175 and 181 Washington Street, New York City. Any style and every finish may be found here in cabinets, consoles and tables, with or without space for dynamic or magnetic speakers.

Custom-set builders and hard-to-suit fans may have any type cabinet built to order.